

Strong relationship with our data supplier Shenzhen Meridian Parts Company in China

We are very proud that Shenzhen Meridian Parts Company is part of our continuous growing and highly valued data supplier and TecDoc Catalogue family in China. With a total of 35 data suppliers on board, we are very satisfied with our development in the Chinese Automotive Aftermarket.

In the past 25 years, Shenzhen Meridian has exported high-quality clutches and component parts for all vehicles including passenger cars, commercial vehicles and agricultural tractors to customers of the global independent aftermarket all over the world. Located in Shenzhen, China, Meridian is certified by TÜV-ISO 9001:2015 and has established a reputation for excellent quality control process, professional services, competitive prices and strict adherence to delivery schedules.



Meridian's product range includes over 2,710 complete clutch kits, 4,000 clutch discs, 2,200 pressure plates and associated releasers, concentric slave cylinders and flywheels. Under the brand CLUTCHNUS, OE quality products and services are provided to their customers in 60+ countries around the world.

What were Meridian's reasons to start working with us and become a transmission clutches data supplier for the TecDoc Catalogue? Lichao Zhang, General Manager at Shenzhen, gives the answer:

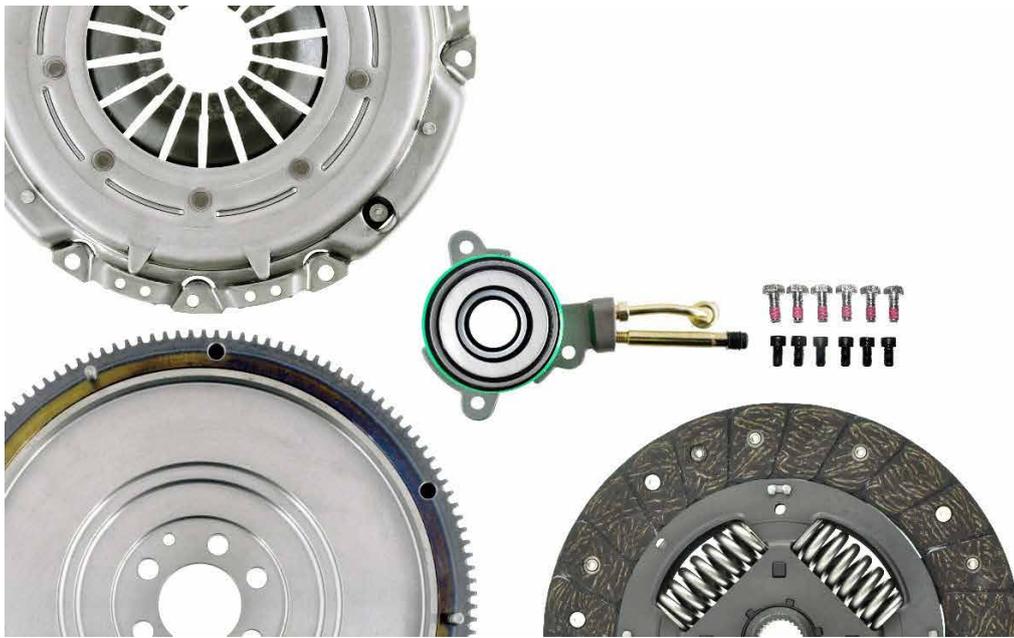
“1: Along with the advent of the big data era, which is indicating the great importance of database management, Meridian felt the urge to join the world's largest catalogue of auto parts, the TecDoc catalogue, at a perfect time.

2: Our goal is to strengthen our presence and position in the international markets. In our industry, everything changes at fast pace,

therefor we must facilitate creative solutions. As a high-quality automobile parts supplier, having professional database management enables us to tap into new markets and optimises our visibility, which will ultimately contribute to an increase in sales.

3: Every Meridian product's detailed information is integrated into the TecDoc catalogue under a standard data format. Users can easily identify the clutches or components for any model they need. The standard data system helps our customers to interact with us easily and also improves our reaction speed to customer's inquiry.

4: Standardised data makes it efficient for Meridian to reduce the inventory by merging interchangeable products and release new products to the market ahead of customer requests, as well as to promote new clutch kits combinations with the existing parts information from TecDoc.”



Let's take a look at some key figures of Chinese Automotive Aftermarket

The Chinese automotive aftermarket revenue is expected to reach a Compound Annual Growth Rate (CAGR) of 7.7%, increasing from \$290.44 billion in 2017 to \$523.80 billion in 2025. How does the Chinese market differ from the US market or the European market? Based on research by PwC Autofacts the vehicle population will fall significantly in the US and Europe. A decline of around 25% is expected in Europe: the population of currently 280 million vehicles could go down by 2030 to about 200 million. For the US market, PwC forecasts a reduction of 22% to 212 million vehicles. Due to a different market situation in China, the population there could grow by almost 50% in the same time period to 275 million vehicles. What are the reasons?

In the long term, steady growth of new and used vehicle sales is the key factor in China. Rising incomes, competitive retail sales, pen-

etration of shared and autonomous mobility, the two-child policy, and emission standard upgrades are the main drivers boosting vehicle sales growth in China.

Vehicle sales will visibly increase for the US, European and Chinese market. Vehicles which are used in the 'traditional way' will remain in the population/inventory for a comparatively long time. On the other hand, autonomous and in particular semi-autonomous vehicles are changed much more frequently, which leads to increasing sales figures. For China, a rise of over 30% to 35 million units sold is expected.

Disruptive trends that will transform the industry

Automotive mega trends have an impact on the future of the automotive aftermarket in general and particularly on the China mar-

ket. At the moment, the Chinese automotive aftermarket for spare parts is well-developed including foreign, domestic, and joint venture brands. Foreign and joint venture companies manufacturing automotive spare parts are dominating the market.

What does the future hold? The Chinese automotive aftermarket is likely to be diversified by e-commerce platforms, especially in online-to-offline parts retail and repair and maintenance services. Tuhu and Alibaba are the main e-commerce platforms leading the online automotive aftermarket. Based on research by McKinsey, e-commerce penetration is likely to increase from 12.7% in 2017 to 40% in 2025.

Why TecAlliance?

With data, processes, integrated solutions and comprehensive consulting services, TecAlliance provides a portfolio for the market participants in the digital aftermarket that makes you more successful in the long term.

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Driving the Digital Aftermarket